Joint Statement on discharge of the 2014 EU budget

With reference to:

- The European Court of Auditors' annual report on the implementation of the EU budget concerning the financial year 2014;

- Discharge to be given to the Commission in respect of the implementation of the EU budget for 2014;

- Draft Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2014;

The United Kingdom and Sweden

Strongly regret that, for the 21st consecutive year, the European Court of Auditors has been unable to grant an unqualified Statement of Assurance on the EU budget as a whole and that the overall error rate for expenditure remains significantly above the acceptable 2 % threshold, with only a marginal reduction on last year at 4.4 %;

Highlight the importance of an independent EU-level audit of EU funds and very much welcome the new approach of the European Court of Auditors on performance audit as set out in the 2014 annual report, while regretting the discouraging conclusions from this audit;

Welcome a discussion on how the EU-budget can be designed to better support overall political priorities, generate results and react to unforeseen challenges, and welcomes the Commission's "Budget for Results" initiative in this regard;

Encourage the Commission and the Court to cooperate in identifying practical, operational and measurable targets for EU programmes, primarily through EU-level objectives and partnership agreements, which can translate the EU's political priorities into productive outcomes; together with the most suitable and effective system for measuring performance against such targets;

Point to the fact that the levels of error vary considerably between different expenditure areas and that this calls for a clear focus by the Commission and the Court on areas with high risk of significant errors, with a view to improving rather than necessarily adding more controls;

Strongly urge the Commission and Member States to identify further opportunities to simplify the complex rules and regulatory framework governing EU budget expenditure in order to improve compliance, as well as focussing on *ex-ante* controls rather than solely *ex-post* controls in order to help get payments right first time;

Given the large delays in launching the programmes in the 2014-2020 programming period, stress the importance of the Commission and Member States issuing timely and comprehensive guidance and training to ensure correct interpretation of requirements, and urge the Commission toward greater cooperation with Member States to understand and address the underlying causes of systemic and repeated errors;

Regret the Court's assessment that the error rate could have been considerably lower if Member State authorities had made better use of the available information to prevent, detect and correct errors before declaring the expenditure to the Commission;

Disagree with the Commission's proposal to introduce further alternative, multiannual error rates which risk detracting from the Court's independent methodology for estimating the level of error in the EU budget;

Strongly urge the Commission to preserve the unanimously agreed payment ceilings, in particular by: maintaining fiscal discipline in relation to commitments; effectively de-committing unused appropriations in order to make room for new priorities and programmes; increasing transparency by providing long-term forecasts, and ensuring a balance between commitments and payments; and

Draw attention to the Court's recommendation that the Commission should reinforce efforts to reduce excessive cash balances in financial instruments, given that more than €14 bn in unutilised funds remains locked within such instruments, which could be used for more urgent needs and priorities.